



March 2010

SCHOOL FINANCE UPDATE

A Monthly Newsletter Published by the School Finance Division

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This newsletter is emailed to school districts, county superintendents, county treasurers, and auditors each month. The newsletter is intended to reach all district staff involved in budgeting, accounting, enrollment, special education funding, and federal programs. Please forward it to all interested parties. Got suggestions for items to include here? We'd love to hear from you!

FY2010-11 Preliminary General Fund Budget Data Sheets

The OPI School Finance Division has released FY2010-11 Preliminary General Fund Budget Data Sheets and updated the General Fund Budget Excel Spreadsheet to assist schools in budgeting for the FY2010-11 school year.

The Preliminary Budget Data Sheets can be accessed at this link:

<http://www.opi.mt.gov/pub/index.php?dir=School%20Finance/PreliminaryBudgetDataSheets/FY2011/>

The General Fund Budget Excel Spreadsheet can be accessed at this link:

http://www.opi.mt.gov/Finance&grants/SchoolFinance/Index.html#gpm1_5

NOTE: Please download this current version of the spreadsheet to your computer (right-click on the link and choose "Save Target As" to save to your desktop). Previous versions of the spreadsheet are no longer applicable for preliminary budget purposes.

Other resources include:

FY2010-11 General Fund Overview and Worksheets located at:

http://www.opi.mt.gov/pdf/schoolfinance/budget/FY10_11GFBudgOverviewWrkshts.pdf

FY2010-11 Budget Limitation Summary located at:

<http://www.opi.mt.gov/pdf/SchoolFinance/Budget/FY11BudgetLimitSum.pdf>

Please contact the following individuals with questions:

Janelle Mickelson, Financial Specialist Supervisor (406) 444-3249 or jmickelson@mt.gov

Kathleen Wanner, Financial Specialist (406) 444-9852 or kwanner@mt.gov

Nica Meralo, Financial Specialist (406) 444-4401 or nmerala@mt.gov

OPI Contact: Donell Rosenthal at (406) 444-3024 or drosenthal@mt.gov

1ST SEMESTER FY2009-10 TRANSPORTATION PAYMENTS

The OPI will distribute the FY2009-10 first semester transportation payments on March 25, 2010. The county superintendent can access the amount to be paid for the county reimbursement from the transportation program located at this link:

<http://data.opi.mt.gov/Transportation/>

The second semester payment will be made in June.

OPI Contact: Maxine Mougeot at (406) 444-3096 or mmougeot@mt.gov

FY2008-09 Federal A-133 Audits

A-133 "Federal " audits for FY2008-09 are due to OPI by March 31, 2010. This affects districts and cooperatives that spent more than \$500,000 of federal money (including USDA commodities) during FY2008-09.

For districts and cooperatives that spent less than \$500,000 of federal funds and received more than \$500,000 of revenue from all sources during FY2008-09, audits are due June 30, 2010.

Audited financial statements must comply with national reporting requirements passed by the Governmental Accounting Standards Board (GASB) under Statement No. 34.

For more information about GASB 34, see the GASB 34 webpage at this link:
http://www.opi.mt.gov/Finance&Grants/schoolfinance/Index.html#p7GPc1_11

OPI Contact: Rebecca Phillips at (406) 444-0783 or rphillips2@mt.gov

MASBO Regional Workshops

The MASBO Regional Workshops are scheduled as follows:

- Region 1 April 22 in Polson
- Regions 2&4 April 7 in Helena
- Region 3 March 23 in Malta
- Region 5 March 16 in Billings
- Region 6 March 17 in Miles City

Registration and agendas may be accessed at this link:

<http://fs3.formsite.com/masbo/2010RegionalWorkshop>

Contact: Lynda Brannon, MASBO Executive Director at (406) 442-5599

MASBO Budget Workshops

The Montana Association of School Business Officials (MASBO) is offering budget workshops at the following locations:

- March 8 - Great Falls
- March 15 - Billings
- March 19 - Havre
- March 22 - Missoula

To register, click on this link:

<http://fs3.formsite.com/masbo/2010BudgetWorkshops/index.html>

Contact: Lynda Brannon, MASBO Executive Director at (406) 442-5599

Accounting Guidance Available

Accounting guidance for Legislation approved by the 2009 Legislature Session and the American Recovery and Reinvestment Act (ARRA) is located on the OPI website at http://www.opi.mt.gov/pdf/SchoolFinance/ARRA/Guidance_ARRA.pdf. The guidance is for the reporting and tracking of revenues and expenditures related to funding provided in several bills approved in the 2009 legislative session, including HB645, and funding provided by the ARRA.

OPI Contact: Rebecca Phillips, (406) 444-0783 or rphillips2@mt.gov.

On January 29, the Office of Public Instruction sent out an Official E-mail announcing the agency's proposal for addressing the 5 percent budget cuts requested by the Governor's Office. At that time, OPI proposed that the targeted reductions for K-12 education be addressed by reducing the appropriations for both school facility payments and school district block grants. In a subsequent analysis, the legislature's Director of Legal Services determined that the executive branch could not reduce the distribution of the school district block grants without a change in state statute, a change that can only be made by the Montana legislature.

As result of this determination, the Office of Public Instruction has proposed to take all of the K-12 targeted reductions from the school facility payment. The school facility payment is the only major payment to school districts that is determined by the amount appropriated as opposed to being determined by a statutory funding formula. The FY 2010 school facility payment will not be affected by this proposal; the full impact will be taken in FY 2011. The expected impact of the reduction in FY 2011 is that school districts will only receive 80-85% of the school facility payment for which they would be eligible if the payment were fully funded. Our best estimate at this point is that schools will be eligible for \$9.09 million in FY 2011. If the appropriation is reduced to \$7.42 million, as proposed, the OPI will need to pro-rate the distribution at the 82% level to the 140 school districts that are eligible to receive the payment. The actual pro-ration will depend on how many new general obligation bonds are sold by school districts in the year ahead.

The Office of Public Instruction will continue to apply a 5 percent cut to its agency general fund operations as originally proposed in January.

The reductions described in this message are all still proposals. The reductions will not be finalized until state agencies receive an official directive from the Governor's Office to apply these reductions.

If you have questions about how the school facility payments and what it may mean to your school district, please contact our office.

OPI Contact: Janelle Mickelson, (406) 444-3249 or jmickelson@mt.gov

Useful Links

State Entitlement Payments to Schools:

http://www.opi.mt.gov/Finance&Grants/schoolfinance/Index.html#p7GPc1_9

School Accounting:

http://www.opi.mt.gov/Finance&Grants/schoolfinance/Index.html#p7GPc1_3

Forms and Publications:

http://www.opi.mt.gov/Finance&Grants/schoolfinance/Index.html#p7GPc1_11

Pupil Transportation:

http://www.opi.mt.gov/Programs/SchoolPrograms/Pupil_Transportation/index.html

Enrollment and ANB:

http://www.opi.mt.gov/Finance&Grants/schoolfinance/Index.html#p7GPc1_8

Tuition: http://www.opi.mt.gov/Finance&Grants/schoolfinance/Index.html#p7GPc1_11

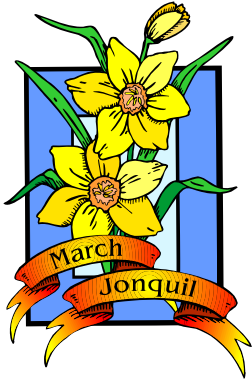
Audit Information: http://www.opi.mt.gov/Finance&Grants/schoolfinance/Index.html#p7GPc1_4

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Happy March!



Spring Is Almost Here

The sun shines so bright and warm,
The sky is blue and oh so clear.

The March winds will soon blow,
But the warm, yellow sun will still show.

While Spring puts a smile on every face,
The sun shines its warmth upon our face.

Flowers grow and waters will flow,
Clear some space for room to grow!

